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SUBJECT: FORMER PRESIDENT ESTRADA RETURNS TO THE
PHILIPPINES AFTER SURGERY IN HONG KONG

REF: 04 MANILA 5959

Classified By: Political Officer Andrew McClearn for Reasons
1.4 (b) and (d)

1. (C) Summary: Former president Joseph "Erap" Estrada returned to Manila on January 15 after undergoing knee surgery in Hong Kong. Despite concerns that there could be a confrontation between his supporters and authorities, Estrada's return was uneventful, with police whisking him off via helicopter to a suburb outside of Manila where he is being held under house arrest. His trial on corruption charges continued while he was in Hong Kong. Estrada called for opposition unity in comments made upon his return. President Arroyo and her administration continue to appear highly anxious about the opposition, though there is little sign that Estrada and his allies pose a serious threat at this point. End Summary.

Erap Returns

2. (U) Former president Joseph Estrada has returned to the Philippines after undergoing (apparently successful) knee surgery in Hong Kong. He arrived at Manila's international airport mid-day on January 15 (he had departed for Hong Kong on December 27 after receiving the approval of the anti-graft court in which he is being tried). Despite reports that a huge crowd would turn out, fewer than 1,000 Estrada supporters had gathered near the airport to greet the former president.

3. (U) The size of the pro-Estrada crowd was probably diminished somewhat by the huge police presence put in place in the area of the airport to monitor Erap's arrival. According to reports, the Philippine National Police (PNP) deployed nearly 2,000 personnel to help prevent any problems. The PNP took many other precautions to deal with contingencies. GRP officials denied Estrada's request to hold a press conference after his arrival at the airport for "security" reasons. In addition, PNP Director General Edgar Aglipay personally met the former president on the tarmac and police then whisked him off via helicopter to a suburb outside Manila (Tanay, in nearby Rizal Province) where he is being held under house arrest. There, Estrada was greeted by about 500 supporters who held a rally outside of his home. There were no incidents at the airport or in Tanay.

Trial Continues

4. (U) Estrada's trial on corruption charges continued while he was in Hong Kong. The trial began shortly after his April 2001 arrest and is taking place in the Sandiganbayan, the GRP's anti-graft court. Estrada has been charged with plunder, perjury, and document falsification. After being held in prison initially, he has been under house arrest since July 2004. The trial continues to hit severe procedural hurdles. On January 17, for example, the presiding justice suspended the case for one week following a defense motion that one of the justice's hearing the case be recused for alleged anti-Estrada bias. The defense has placed other motions on the table that will almost certainly delay the case's progress further.

5. (C) The Special Prosecutor for the Estrada case, Dennis Villa-Ignacio, provided additional details on the trial during a January 13 meeting with poloff. Villa-Ignacio said Estrada's lawyers had presented 18 witnesses so far and more were expected. Villa-Ignacio remarked that the case was a "must-win" for Ombudsman Simeon Marcelo and the GRP. He said his office was under strict orders to press Estrada's case forward in order to reach a verdict by the end of the year. To keep to this schedule, he hoped that the defense team would conclude its arguments by the second quarter of 2005. This would allow for concluding arguments to take place by October 2005, followed by 30-60 days for the three justices hearing the case to reach a decision. Given the consistent pattern of defense motions, however, Villa-Ignacio admitted that his schedule might be optimistic.

Opposition Activities

16. (C) Estrada -- following up on comments he had made in Hong Kong -- continued to call for opposition unity in remarks made upon his return. Shortly after his arrival in Manila, he released a press statement through advisers that railed against President Arroyo, asserting, in part, that her "corrupt administration...remains suspect in the eyes of a great majority of our people." After 19 days of relative freedom in Hong Kong -- meeting with members of his former cabinet, other opposition leaders, conducting frequent press interviews, etc. -- Estrada seemed upbeat and promised to coordinate the opposition's efforts, saying, "I am not interested in leading them; what is important to me is to unite them."

17. (C) Pro-Estrada elements appeared buoyed by Estrada's seeming political reemergence after the December death of presidential runner-up and former actor Fernando Poe Jr. (see Reftel). House Minority leader Francis Escudero announced to the press on January 16 that Estrada loyalists planned to form a "Committee of Five" that would "represent the collective leadership of the opposition." The committee would include Escudero, Estrada, former Agrarian Reform Secretary Horacio "Boy" Morales, Makati Mayor Jejomar Binay,

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and former Senator Gregorio "Gringo" Honasan, who recently took over as head of the RAM grouping again. (Note: RAM, "Reform the Armed Forces Movement," is a group of retired PNP officers, which was behind several coup attempts in the late 1980s. RAM claims to support reform in the GRP's security forces.) When queried about opposition activities, Ramon "Eki" Cardenas, a close adviser to Estrada, told Dep Polcouns on January 14 that Estrada had met with 2004 presidential candidates Senator Panfilo "Ping" Lacson and Brother Eddie Villanueva while in Hong Kong. Cardenas said the meetings had gone well. Edgardo Angara, an important opposition senator, remained out of the talks, however. Cardenas added that Estrada hoped to increase the pace of opposition activities (rallies, demonstrations, etc.) in coming months.

Comment

18. (C) President Arroyo and her administration continue to be highly anxious about the opposition. The funeral of Fernando Poe Jr. on December 22 deeply concerned the administration, for example, and Malacanang battened down the hatches that day. Similarly, the administration wanted to ensure that Estrada's return went smoothly and it deployed the police in large numbers to prevent any incidents. That said, despite their best efforts and a recent uptick in their confidence level, there is little sign that Estrada and the rest of the opposition pose a serious threat to the administration's stability at this point. More than anything else, Estrada and his allies seem to be baiting the administration, hoping that it over-reacts and makes a mistake that helps catalyze the opposition's many strands into a coherent movement. The administration has not fallen into that trap yet.
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